

2-4-9-29  
20031688

# State Ethics Commission

ANNUAL REPORT 2001

RECEIVED

JUL 15 2002

MARYLAND STATE ARCHIVES





EXECUTIVE DEPARTMENT  
STATE OF MARYLAND



PARRIS N. GLENDENING  
GOVERNOR

COMMISSION MEMBERS:  
CHARLES O. MONK, II, *Chairman*  
DOROTHY R. FAIT  
MICHAEL L. MAY  
D. BRUCE POOLE  
APRIL E. SEPULVEDA

## STATE ETHICS COMMISSION

9 STATE CIRCLE, SUITE 200  
ANNAPOLIS, MARYLAND 21401  
410-974-2068  
Toll Free 1-877-669-6085  
FAX: 410-974-2418

SUZANNE S. FOX  
*Executive Director*  
ROBERT A. HAHN  
*General Counsel*  
JENNIFER K. ALLGAIR  
*Staff Counsel*

# TWENTY-THIRD ANNUAL REPORT

January 1, 2001 - December 31, 2001

June 21, 2002



**STATE ETHICS COMMISSION**  
**January 1, 2001 - December 31, 2001**  
**Twenty-Third Annual Report**

**GENERAL STATUTORY IMPLEMENTATION**

The State Ethics Commission met 10 times during Calendar Year 2001 and conducted business in all areas of its statutory mandate: financial disclosure, conflict of interest, lobbyist disclosure and conduct restrictions, local government ethics laws, school board ethics regulations, advisory opinions, enforcement matters, employee training, lobbyist training and public information activities.

The Commission and staff faced several challenges during the year: in January, Nancy Speck, the General Counsel, who had served in that capacity for 21 years left the Commission to become an Assistant Attorney General with the Department of Health and Mental Hygiene; on May 11, 2001, the Commission's office moved from its Towson, Maryland location to its present location in Annapolis; on June 13, 2001, Jennifer Allgair began employment as Staff Counsel and Robert A. Hahn, the Commission Staff Counsel for the past 19 years, became General Counsel; on June 30, 2001, John A. O'Donnell retired after serving as Executive Director of the Commission for 22 years; on July 1, 2001, Robert Hahn became acting Executive Director, thus leaving the position of General Counsel vacant; on November 1, 2001, the statutory changes resulting from the passage and implementation of House Bill 2 (2001 Md. Laws Chapter 631) became effective; and on December 13, 2001, Suzanne S. Fox became the new Executive Director. The Commission had conducted a four-month job search to replace Mr. O'Donnell. Ms. Fox joined the Commission with extensive experience in State service as both an administrative law judge and Director of Quality Assurance with the Office of Administrative Hearings.

The loss of both the Executive Director and General Counsel during 2001 and absence of anyone serving in the capacity of General Counsel for eleven months of the year, coupled with the disruption that results from any move of location, caused an interruption to the flow of business within the office. The number of enforcement proceedings was reduced, the dissemination of responses to requests for advice slowed, and the Commission concentrated much of its efforts on finding personnel to fill the vacancies for Staff Counsel and Executive Director. The increased responsibilities of training State employees in the Public Ethics law, training lobbyists on the changes in the lobbying law, added to the additional workload resulting from the changes to the lobbying law, stretched the limited human, technological and financial resources of the Commission almost beyond their capacity to cope.

Notwithstanding the challenges, Commission staff met the statutory mandates. The relocation of the office to Annapolis also put commuting burdens on staff, which was centered in the Baltimore area. At the time of its move to Annapolis, the staff received updated computer equipment enabling them to communicate more effective and efficiently with each other and with other State employees. The staff gained access to software that put them on an equal electronic footing with other agencies, and they learned to utilize the new technology in order to begin the task of converting paper to electronic data. Commission staff created new forms, updated informational memoranda, and prepared general information relating to changes in the law, all of which were made available at the Commission office on its web site by November 1, 2001. In addition, they began formal training for lobbyists on December 11, 2001. Training for State employees continued without interruption, General Counsel processed requests for informal opinions and provided considered direction on the issues considered, and Staff Counsel and her investigative assistant proceeded with investigations on new and continuing enforcement issues. General Counsel began the review of local government ethics regulations and local school board ethics regulations, and staff responded to written, telephonic, electronic and in person inquiries promptly and professionally. In addition, the Commission staff provided the support, advice and counsel necessary for the new Executive Director to learn the functions and procedures of the office and the job.

### Issuance of Advisory Opinions

The Commission issues advisory opinions in response to requests from officials, employees, lobbyists, and others who are subject to the Ethics Law. Additionally, in its discretion, the Commission may issue advisory opinions to other persons. During Calendar-Year 2001, the Commission issued 4 formal published opinions. The formal opinions considered in 2001 dealt with procurement ethics (§15-508); potential dual employment of a State employee as an elected town councilman (§15-502); and the offices of Sheriffs and State's Attorneys were defined as executive units of State government. A major factor reducing the need for formal opinions issued by the Commission is the large number of existing opinions that can now be used for informal guidance by the Commission or staff thus expediting advice. Based on prior opinions issued by the Commission, the staff was able to provide informal guidance in 1,312 potential formal requests. The Commission itself provided informal advice in lieu of formal opinion guidance, usually in the form of a letter, in 150 situations during the year. Informal guidance covered nearly all aspects of the Ethics Law. During the last few months of 2001, much of the informal advice addressed the implementation of HB2 and its impact on lobbyists and lobbyist registration. Many advice inquiries involved secondary employment questions, and this may be the result of State employee salary limitations in some agencies that have required State employees to supplement their incomes in order to meet their expenses. The combined total number of advice requests (formal, Commission informal, and staff informal) for 2001 was 1446. This follows substantial increases in the late 1980s and early 1990s. The total in 1986 was 441 (the year the Commission began compiling statistics), 564 in 1990, 785 in 1992, 1,319 in 1995, and 1,432 in 2000.

The Commission also considers requests from various programs enacted as part of the Ethics Law. The Commission considered 8 boards' and commissions' financial disclosure exemption requests and reviewed and commented on sponsored research exemption reports of the University of Maryland.

Advisory opinions are now available on the Internet through the Commission web site and the website of the Secretary of State, Division of State Documents.

### Financial Disclosure

The financial disclosure program continued to process the identification of those required to file, provide technical assistance to filers, and monitor compliance with the Law. The Commission reviewed a large number of requests by various agencies to add or delete positions from the financial disclosure filing list, and the net result was an increase in the number of filers. Additionally, in Opinion No. 01-04, the Commission decided (for reasons set forth in the 2001 Legislation Section of this Report) that employees of the Sheriffs' and State's Attorneys' offices were subject to the Public Ethics Law as employees of "executive unit." This will also expand the rolls of who has to file financial disclosure in the year 2002.

The Commission reviewed the Ethics Law status of new boards and commissions and considered and acted upon requests by advisory boards to be exempted from the requirement to file financial disclosure statements. This activity has significantly increased in recent years due to a substantial increase in the number of boards and commissions created by the General Assembly.

Currently there are more than 8,000 public officials required to file financial disclosure forms, and the number of filers continues to grow. Individuals who are public officials only as a result of their participation on boards or commissions are required to file a limited form of financial disclosure. In addition, copies of all judicial official financial disclosure forms are kept on file at the Commission office. When the Commission conducts compliance reviews of financial disclosure statements and finds errors or omissions, it sends letters advising them to provide further information to correct or complete the documents.

As part of this process, the Commission staff also monitors conflicts of interest. The Commission had very limited ability to monitor financial disclosure statements due to its various personnel and resource constraints discussed above. It should be noted that only one full time employee, who was hired in August 2000, directs the financial disclosure program, and, therefore she had only a few month's experience during the 2001 filing process.

The Commission also has the responsibility for financial disclosure program for appointees to executive boards or commissions who seek limited conflict of interest exemptions from the appointing

authority. The board or commission members must file with the Commission, and the appointing authority and the Senate, when applicable, "time of appointment" disclosure forms publicly disclosing existing conflicts. The Commission staff coordinates this process with the appointing authority, reviews the forms and, throughout the year, assists a large number of appointees in completing the disclosures forms. In 2001, 189 forms were received between July and November 2001.

Beginning in calendar year 2000, the Commission began monitoring the requirement for legislators to file preliminary financial disclosure forms in January noting any changes from their immediately previous filings. The Commission's experience in both January 2000 and January 2001 suggested that some legislators, who had significant changes and should have filed, were not compliant with this process.

### Lobbyist Disclosure and Regulation

During the lobbying year ending October 31, 2001, 1,988 lobbying registrations were filed with the Commission. This represents a slight decrease from the 2,082 registrations filed in 2000. Five hundred ninety-one different lobbyists registered on behalf of 929 employers. (Some employers have more than one lobbyist and many lobbyists have more than one employer.) This compares to 609 lobbyists who registered on behalf of 924 employers in 2000. The growth in the number of lobbyists has been slower than the growth in registrations, employers and expenditures. For example, in 1988 there were 415 registered lobbyists, 545 employers and 744 registrations spending \$9,405,759. This data reflects a trend of a growing lobbying business concentrated within a smaller group of lobbyist and firms. Although the largest number of lobbyists is registered during the legislative session, registrations begin and end at various times throughout the lobbying year, which begins on November 1 and ends on October 31 of the following year. Most persons registered to lobby had a single registration representing one employer. However, 120 lobbyists had two or more registrations during this time period; 80 registrants had four or more employers; and 48 lobbyists had eight or more employers. The Ethics Commission monitors lobbyist registration, reporting, conduct, and certain aspects of campaign finance activity.

The \$22,390,081.00 in lobbying expenditures reported for the period of October 31, 2001, represents a decrease of \$203,469.00 from the previous year. There was an overall decrease in expenditures as a result of some special circumstances in the previous year that increased expenditures for grassroots lobbying and professional research assistance. A further decrease in individual meals reflected changes in the law, as did a slight increase in special events. Lobbyists' compensation continued to increase. Lobbying expenditures have very significantly increased since the \$2,864,454 reported expenditures in 1979; the first year the Ethics Commission administered the filing program. Expenditures for gifts and entertainment in 2001 increased from \$739,466 to \$883,747. The total for gifts and entertainment was higher than the record level of \$824,685 reported in 1993. The amount for food and beverages, other than special categories, decreased from \$4,067 to \$3,486. The amount in this category was dramatically lower than the \$416,924 reported in this category for 1992, reflecting the stronger disclosure laws of recent years and an increasing reluctance of officials to accept this type of entertainment. Entertainment at legislative organization meetings resulted in \$32,811 in lobbyists' expenditures. Lobbyists' expenditures for special events increased from \$688,176 in 2000 to \$814,161 in 2001, a substantial increase from the \$245,288 reported for special events in 1994. Under current law, special events include events to which all members of the General Assembly, either house, standing committees, or geographic delegations are invited. There were 101 "all members" of the General Assembly events reported in 2001 totaling \$622,365, an increase over the \$497,612 spent for the previous year. The total expenditure for special events may be misleading, as the reporting requirement is for the total cost of the event rather than funds expended directly on General Assembly members. There were 53 events reported for House of Delegates' Standing Committees and 46 for the Senate's Standing Committees. The total of 99 committee events was lower than the 107 events in 2000. The most entertained committee in the House of Delegates was the Environmental Matters Committee with 14 events. The least entertained Standing Committee in the House was the Appropriations Committee with 6 events. In the Senate, the least entertained committee was the Economic and Environmental Matters Committee with 6 events. Most events reported in the Senate were for the Finance Committee with 20 events. The regional delegation with the most events reported was the Prince George's County Delegation with 11 events.

A detailed analysis of special events spending is contained in Appendix C of this report. Lobbyists are also required to file gift reports naming individuals receiving tickets or other gifts above certain thresholds. Eleven lobbyists filed ten gift reports in 2001 compared to nineteen in 2000. Gift reports may name one or more gift recipients. Gift reports tend to be concentrated among the higher spending

employers. There was three special gift report filed on behalf of the top 120 employers, ranked by total lobbyist expenditures. New gift limitations, effective October 1, 1999, and the fact that gift reports are no longer required in some situations have resulted in the very substantial decline in gift reports.

For the year 2001, 116 lobbyist employers reported total lobbying expenditures of \$50,000 or more, and 297 lobbyist employers reporting total expenditures of \$25,000 or more. This compares to 292 employers reaching \$25,000 in expenditures in 2000. Eighty-one individual lobbyists, registered on behalf of one or more employers, reported \$50,000 or more in compensation for services as compared to 82 in 2000. Thirty-nine lobbyists reported compensation of \$100,000 or more compared with 43 in 2000. There is a growing trend toward firms employing several lobbyists, ranging from groups within large law firms to government relations groups unassociated with the practice of law. In 2001, each of the top three fee-earning firms earned over \$1,000,000 as compared with the top three such firms in 2000. This information is outlined in Appendix D.

Examples of topic areas involving large total employer expenditures during the reporting period included business, utilities, racing, labor, health, banking, energy, communications, technology, attorneys, real estate, construction and insurance. Employer lobbying spending continues to increase. In 1988, only 5 employers spent over \$100,000 on lobbying. In 1999, 35 employers exceeded \$100,000. Lists of those employers spending \$25,000 or more and those lobbyists reporting \$50,000 or more in compensation are included in Appendices A and B of this report.

The following expenditure data summarizes lobbying expenditures for the last three lobbying years:

	<u>10/31/99</u>	<u>10/31/00</u>	<u>10/31/01</u>
1. Expenditures for meals and beverages for officials or employees or their immediate families.	\$ 28,596	\$ 4,067	\$ 3,486
2. Expenditures for special events, including parties, dinners, athletic events, entertainment, and other functions to which all members of the General Assembly, either house thereof, or any standing committee thereof were invited. (Date, location, group benefited, and total expense for each event are also reported.)	\$ 684,958	\$ 688,176	\$ 814,161
3. Expenses for food, lodging, and scheduled entertainment of officials and employees and spouses for a meeting given in return for participation in a panel or speaking engagement at the meeting.	\$ 3,704	\$ 8,356	\$ 17,608
4. Expenditures for food and beverages at approved legislative organizational meetings.	N/A	\$ 25,543	\$ 32,811
5. Expenses for a ticket or free admission to attend charitable, cultural or political events where all members of a legislative unit are invited.	N/A	\$ 3,122	\$ 3,337
6. Gifts to or for officials or employees or their immediate families (not included in B-1 through B-5).	\$ 40,098	\$ 10,202	\$ 12,344
<b><u>Subtotal of items 1, 2, 3, 4, 5 and 6</u></b>	<b><u>\$757,356</u></b>	<b><u>\$739,466</u></b>	<b><u>\$883,747</u></b>



7. Total compensation paid to registrant (not including sums reported in any other section).	\$18,320,596	\$18,947,901	\$19,282,080
8. Salaries, compensation and reimbursed expenses for staff of the registrant.	\$ 766,802	\$ 721,006	\$ 690,167
9. Office expenses not reported in items 5 and 6.	\$ 937,386	\$ 772,104	\$ 785,917
10. Cost of professional and technical research and assistance not reported in items 5 and 6. Cosof publications which expressly encourage persons to communicate with officials or employees.	\$ 597,500	\$ 229,265	\$90,530
12. Fees and expenses paid to witnesses.	\$ 29,265	\$ 57,123	\$ 49,970
13. Other expenses.	\$ 557,028	\$ 528,976	\$ 398,037
<b><u>Total of items 1 through 11</u></b>	<b><u>\$23,465,383</u></b>	<b><u>\$22,594,270</u></b>	<b><u>\$22,390,081</u></b>

*N/A Categories Were Not Required To Be Reported in Earlier Years*

(NOTE: At the time the Annual Report was compiled, some lobbyist expenditure information may have been subject to adjustment based on the staff review program.)

### Enforcement Activities

Beginning in June 2001, the Commission enforcement activities focused on a transition of Staff Counsel responsibilities from Robert A. Hahn to Jennifer K. Allgair. The Commission's formal complaint activities were limited because of the General Counsel vacancy and Mr. Hahn's serving as Acting Executive Director until the middle of December. The Ethics Law provides that any person may file a complaint with the Commission. Complaints filed with the Commission must be signed, under oath, and allege a violation of the Law by a person subject to the Law. The Commission may file a complaint on its own initiative and, at its discretion, may proceed with preliminary inquiries of potential law violations.

In Calendar-Year 2001, the Commission issued only one complaint, as compared with 12 in year 2000; 68 in 1999; and 98 in 1998. The complaint in 2001 involved a current State employee and conflict of interest issues. During this calendar year action was completed on 14 complaints as compared with 57 in year 2000. Eight of the completed complaint matters involved financial disclosure. Complaints for failure to timely file financial disclosure statements were closed upon the Commission's acceptance of the late filing as a cure. In five late financial disclosure complaints, the Commission resolved the matters by accepting submission of the form and stipulations of settlement, which included admissions of late filing violations, waivers of confidentiality, acceptances of reprimands, and the payment of funds (in lieu of late fees and fines) to the State. The violators paid a total of \$5,155 to the State pursuant to settlement agreements during 2001.

Six of the complaints completed during the year involved lobbyist matters. One complaint involved a lobbyist who had failed to timely report on behalf of an employer. The Commission conducted a hearing on the complaint, which resulted in a finding that the lobbyist violated Section 15-701(a) of the Ethics Law. Two other lobbyists who failed to timely register and/or report filed the required form and paid \$250.00 in late fees for each report. Three other complaints involving lobbyists were referred to the Office of the State Prosecutor.

The Commission also considered several other situations involving lobbyists who had failed to timely file either a registration or lobbying activity report. These matters resulted in agreements with lobbyists paying amounts up to \$250 per report. The Commission received a total of \$6,250 payments to the State of Maryland from 20 different lobbyists. All enforcement payments are deposited in the State's general fund and cannot be used by the Commission.

At the end of Calendar-Year 2001, 2 complaints were pending involving conflicts of interest. The total of enforcement payments and late fees actually received by the Commission in 2001 was \$11,405. There remained a backlog of 25 preliminary inquiries pending at the end of the calendar year.

The last three Commission Annual Reports advised that a conflict of interest complaint from 1997 had been appealed by the respondent to the Circuit Court after a hearing by the Commission and a finding of violation. After a decision by the Circuit Court, the Commission subsequently appealed the judgment to the Court of Special Appeals. After the Court of Special Appeals decision on September 13, 2000, the Commission filed a Petition for Writ of Certiorari with the Court of Appeals. The Court granted the writ and after hearing arguments on April 11, 2001 issued its opinion on September 11, 2001. The Court held that the respondent violated §§ 15-501, 15-506, and 15-607 of the State Ethics Law and reversed the judgment of the Court of Special Appeals. It remanded the case to the Court of Special Appeals with instructions to vacate the judgment of the Circuit Court and to remand the case to the Circuit Court with directions to affirm the order of the State Ethics Commission. (See *State Ethics Commission v. Antonetti*, 365 Md. 428 (2001). The Commission's order in that case included payment of \$1,000 in late fees and civil fines in the amount of \$7,500.

### Local Government Ethics Laws

The Ethics Law requires Maryland counties and cities to enact local laws similar to the State Law. In addition to the requirement that counties and cities enact ethics laws, in 1983, the General Assembly amended the Law to require local school boards either to promulgate ethics regulations similar to the State Law or be covered by county ethics laws. As part of its responsibilities, the Commission reviewed new or revised ethics laws for 11 localities during 2001. Criteria for evaluating similarity to the State Law are defined in Commission regulations. Municipalities, based on size and other factors, may be exempted from all or part of the requirement, though an exemption may be granted only in response to a written request.

During 2001, the Commission issued Opinion 01-04 for the reasons set forth in the Legislative Recommendation Section of this report. The Commission determined that the employees of the Office of Sheriff and the Office of State's Attorney in the counties and Baltimore City were employees of an "executive unit" of State government and thereby subject to the State Public Ethics Law. Previously the Commission had held that only the elected Sheriff and the elected State's Attorney were subject to the State law. The Commission notified the Baltimore City and the counties' ethics commissions that all employees of the Sheriffs' and State Attorneys' offices were now subject to the State Public Ethics Law.

The Commission has held several statewide local government ethics seminars since 1979, the last of which was in the autumn of 2000 at which 152 people representing 61 ethics agencies attended the full day program addressing all phases of the Ethics Law and administration. The Commission determined to increase its education programs in this area as soon as staff resources allowed. It also anticipates reviewing all municipalities that received an exemption from ethics law requirements to determine if the exemption is still warranted.

The Commission also received and reviewed reports from Prince George's County and Montgomery County regarding special land use ethics reports required in those jurisdictions.

With the Commission's regulations in COMAR 19A.04 and .05, the *Maryland Register* will publish an annual listing of local governments having ethics laws.

### Educational and Informational Activities

The Commission staff has been active in providing information to State employees, lobbyists and local jurisdictions. A substantial daily staff workload has involved advising and assisting employees, officials, candidates and lobbyists on completion of forms, and providing informal advice regarding possible conflicts of interest. The Commission staff has assisted local government and school board officials in

drafting their ethics laws and regulations. The staff has also provided technical advice to local government ethics boards. Legislation passed in 1999 requires new financial disclosure filers to receive 2 hours of Ethics Law training (§15-205(d)). The Commission began implementation of this mandate in calendar year 2000. The staff gave numerous formal briefings and training programs to groups of employees and officials and provided employees of several agencies and departments special briefings at their offices. During calendar year 2001, the Commission staff conducted 16 training sessions for State employees at various locations throughout the State. The commission provided training to a total of 357 employees.

HB2, enacted during the 2001 session of the General Assembly and effective as of November 1, 2001, mandated that the Ethics Commission also provide a training course for regulated lobbyists and prospective regulated lobbyists (§15-205(e)). The Commission is required to provide training at least twice a year. Regulated lobbyists are required to attend the training at least once in any 2-year period during which a lobbyist has registered with the Commission.

Staff conducted preliminary lobbyist briefings for the Maryland Chamber of Commerce in Annapolis and other groups interested in the HB 2 changes to the operation of the lobbying law. The first formal lobbyist training was held on December 11, 2001. Three separate two hours sessions on that day resulted in 125 lobbyists and prospective lobbyists receiving the mandated training.

Part of the Commission's public information activity involves distribution of lists of registered lobbyists and provision of assistance to persons inspecting various forms filed with the Commission. The Commission's staff distributes, through interagency mail, a special two-page summary of ethics requirements and other applicable memoranda to State agency managers. Staff also distributed special memoranda regarding the impact of the ethics law on gifts, procurement, post-employment, employment, and on political activity. On a limited basis, the Commission is also distributing another pamphlet covering ethics requirements for part-time members of State boards and commissions. Fiscal limitations have essentially reduced the ability to develop new materials in printed form. The staff provides memoranda on lobbying laws relating to private colleges, lobbyist political activity, and a memorandum regarding adjustments to the procurement ethics provisions by request and on its web site. We have also developed a special memorandum to advise potential new members of boards and commissions of the impact of the Ethics Law.

The Ethics Commission maintains a complete and up-to-date home page on the Internet. The home page includes a program summary, a lobbyist list and related data, the Annual Report, special explanatory memoranda, and a bi-monthly bulletin. Also included are copies of lobbying and financial disclosure forms and the ability to access these forms. A new feature of this site, established in 1999, is the provision of a list of State vendors that can be queried by agency or vendor. Another feature is an ethics question of the month, which answers hypothetical questions based on past Commission opinions. The Internet provides a cost effective mechanism for providing ethics information and training to those covered by the Ethics Law and public access to ethics information. The volume of persons using this website has been steadily growing. The staff is also very frequently involved in assisting the public and press in inspecting public records of lobbyists and officials and providing access to other ethics law information in media appearances or other means.

## **2001 Legislation Report**

The Maryland General Assembly passed a substantially expanded lobbying law (HB2) during the 2001 session. This law, now codified in Md. Code Ann., State Gov't Title 15 (Supp. 2001) ("Ethics Law") which became effective November 1, 2001, was recommended by the Study Commission on Lobbyist Ethics ("Study Commission") that had concluded changes were necessary and appropriate to address actual and perceived problems in the relationship between lobbyists and government officials.

The provisions of HB2 added a new registration requirement for persons who "communicate" with officials or employees to influence "legislative action" or "the development or adoption of regulations or the development or issuance of an executive order" to register if they earn "at least \$5,000 as compensation" during a six month reporting period. This provision resulted from the Study Commission's concern that by consciously remaining outside the physical presence of an official, a person engaged in this type of lobbying activity can totally avoid lobbyist registration and the reporting of compensation and expenditures under the existing law. They reasoned that the activities of a well-paid professional lobbyist were no less

worthy of public scrutiny merely because the communication was carried out at a distance, rather than in face-to-face meetings.

The new law adds, as a lobbying activity, lobbying to influence the development or adoption of regulations to the type of executive actions if compensation triggers or non-gift expenses requires registration. Also added is a \$5,000 compensation threshold for not in the presence lobbying on regulations and executive orders. Regulations have the force of law and therefore are treated in the same manner as the development of legislation. Prior to the new provision, registration was required when an individual received compensation for influencing regulations that were submitted to the legislative AELR committee. At that point, the status of the proposed regulation reached the definition of "legislative action." Under the new Law, if either of the thresholds is reached, an attempt to influence the development or issuance of regulations or executive orders (whether or not the Executive Order has the force of law), registration is required. As to regulations, attempting to influence relates to influencing new regulations or amending existing regulations, but attempting to influence does not relate to discussions about the specific application of existing regulations or generalized discussion about the strengths or weakness of regulations. It applies to clear communication with the purpose of amending existing or establishing new regulations.

The new \$5,000 threshold for "not in the presence" attempts to influence certain executive or legislative action is directed at persons using telephone, electronic communication, and letter writing as a means of communicating to influence actions. Generally this involves a person who directly contacts an official or employee in his or her own name on his or her own behalf or on behalf of others. It would not generally apply to persons performing only limited back office functions for a direct mail campaign or other activities such as grass roots lobbying, which has its own registration criteria.

The new lobbying registration trigger of "compensation by business entities" to influence executive action to make business grants or loans of over \$100,000 responds to entities who use the services of outside agents, often for a contingent fee, to influence the executive body for state grant or loan benefits. Business entity is defined broadly under the Ethics Law and covers both "for profit" and "non-profit" entities.

The provision is similar to the existing lobbying law provision requiring registration for procurement lobbying of over \$100,000. It is the same as the procurement provision in that no compensation threshold is required and there is no "in the presence" requirement. The provision applies to persons or entities compensated to influence a business grant or loan and would often not apply to persons who were doing limited research and other functions only very indirectly related to an influencing activity. Persons or entities engaged in direct communication (in the presence or not) with State employees or officials for the purpose of influencing a grant or loan would be subject to the Law. There are some specific exemptions for bona fide full time officials or employees of a business entity seeking the grant or the loan. The Study Report cited, as examples of activities covered by the provision, the Sunny Day Fund and other State incentive programs. It is important to understand that once a person becomes a lobbyist under this provision, he or she may not be paid contingent on success.

Although the Law significantly expands the situations in which influencing executive action requires lobbying registration, there are also two new lobbying registration exemptions. The two exemptions apply only if the individual engages in no other actions requiring registration and no gifts made during the reporting period at or above the \$100 threshold.

The specific two exemptions are:

1. Appearance before an executive unit at the request of the executive unit involved. The exemption applies if a person is asked to provide information to a state agency and his or her activity is limited to meetings with agency representatives pursuant to that particular request made by the agency. Generally this would be a documented request and involve a specific and time limited activity.
2. Appearance before an executive unit at the specific request of a regulated lobbyist if the witness is testifying at the request of the regulated lobbyist. This exemption is broader than the one above in that it can be triggered by a lobbyist rather than by an agency request, but it is much more narrow in that it

contemplates serving as a witness at something more than a meeting with agency staff. It contemplates a formal structured assembly, hearing, or equivalent. For example an agency may hold an open meeting to get formal comments on proposed or existing regulations. A lobbyist may want to ask client, staff or other experts to make presentations. Generally, ordinary business contacts with agencies do not include activities that can be considered as witness testimony.

HB 2 changed the manner in which lobbyists must report spending on meals and receptions to which legislators are invited. If a regulated lobbyist plans to hold a legislative meal or reception event, the following general requirements apply:

- The invitees must be a qualified legislative unit. These groups include all members of the General Assembly, either house thereof, all members of any standing committee or all members of a formally recognized (for ethics disclosure purposes) county or regional delegation.
- At least five days before the event, there must be a written invitation to all members of the legislative unit and an invitation disclosure form (Form No. 13 E) must be filed with the Department of Legislative Services.
- Within fourteen days after the event, an expenditure report must be filed with the State Ethics Commission covering the event and related expenditures (Form No. 13 F).

HB 2 also altered the Ethics Law as it pertains to the role of lobbyists in the campaign finance process. The core of § 15-714 of the Ethics Law is summarized below:

A lobbyist who lobbies the Executive or Legislative branch of State government, or a person acting on behalf of the lobbyist may not, for the benefit of the Governor, Lt. Governor, Attorney General, Comptroller, member of the General Assembly or candidate for these offices engage in the following activities:

- Solicit or transmit a contribution from any person or political committee.
- Serve on a fund raising committee or a political committee.
- Act as a treasurer for a candidate or official, or treasurer, or chairman of a political committee.
- Organize or establish a political committee for the purpose of soliciting or transmitting contributions from any person.
- Forward tickets for fundraising activities or other solicitations for political contributions to a potential contributor.

The Law specifically allows the lobbyist to 1) make a personal political contribution under the Election Law and 2) inform the lobbyist's employer, or others of the position taken by a particular candidate for office. These two items are examples of what a lobbyist may do but are not intended to be a list of all permitted lobbyist activity. The law allows activities not specifically prohibited

The implementation of the law did not begin until November 1, 2001, and, as this was prior to the beginning of the legislative session, interpretive issues related to the changes in the law did not begin to appear until the very end of 2001. The Commission staff addressed the issues in informational memoranda made available at its office and through its web site.<sup>1</sup>

After the November 1, 2001 implementation of HB 2, lobbyists' began expressing their concerns about the general prohibition of lobbyists serving on most boards and commissions, and the application of prior Commission interpretation regarding compensation for lobbying activity as including situations in which a lobbyist was paid by one entity although he or she actually engaged in lobbying on behalf of another entity. As a result, by the end of 2001, bills for the 2002 legislative session began to take form to: exempt attorneys who are paid by their law practices and engage in lobbying activities on behalf of the

---

<sup>1</sup> HB 1076, a bill including comprehensive changes to the lobbying portions of the Public Ethics Law, passed both houses of the legislature and was signed into law, as emergency legislation, on May 6, 2002.

Maryland State Bar Association; raise the level of expenditure and compensation for lobbying activity needed to require registration as a lobbyist; exempt site consultants from the registration requirements so long as they engage in no other activity that would require registration; and create a classification of boards and commissions on which lobbyists could participate and amend the disclosure requirements required in those circumstances.

#### Ethics Jurisdiction - Employees of State's Attorney's and Sheriff's Offices

The Ethics Law clearly places the elected State's Attorneys and Sheriffs under the jurisdiction of the State Ethics Law. Historically, local ethics laws covered the other employees of these offices. In 1999, the County Attorney for Baltimore County questioned whether deputy sheriffs and deputy and assistant State's Attorneys were subject to the County's Ethics Law and whether they were more properly subject to the State Ethics Law. In Ethics Opinion 93-12, in response to a request from another county that cited several court decisions, including *Rucker v. Harford County*, 404 Md. 399 (1989), the Commission stated that although the Maryland courts had found these entities to be State agencies for some purposes, the court cases were not a sufficient basis to change 14 years of Ethics Law history particularly in view of the local operational orientation of those entities. It affirmed its initial view that the Sheriff's Offices in the counties were not executive agencies in State government, and the State Ethics Law did not cover their employees, other than the incumbent in the constitutional office of the Sheriff.

In the summer of 2000, the Commission submitted proposed legislation to the Governor for the purpose of clarifying the issues raised by Baltimore County, which included:

- Sheriff and State's Attorney's Offices are "other bodies in State government" for purposes of the definition in Public Ethics Law § 15-102(m) because the State is exclusively liable for their functions under the Tort Claims Act;
- The Court of Appeals in *Rucker v. Harford County*, 404 Md. 399 (1989) established binding precedent for viewing Sheriff's Offices as State units;
- The duties of the State's Attorney are set forth in State law;
- The State's Attorneys' offices were carved out of the Office of the Attorney General, a body in State government;
- Sheriffs, deputy sheriffs and attorneys in the State's Attorneys' offices are defined as State personnel in the Tort Claims Act; and
- The Ethics Law definition of local official for Baltimore County does not include either the Sheriffs' offices or the State's Attorneys' offices.

Counsel to the Maryland General Assembly concurred that the local government language in the Baltimore County Ethics Law could not be read to confer upon Baltimore County the authority to subject these State positions to regulation in its local ethics ordinance.

At the request of the Commission, legislation was introduced as House Bill 108 in January of 2001 to clarify that the non-elected employees of the Sheriff and States' Attorneys' offices came within the jurisdiction of the local ethics laws. The Commission took the view that the best functional approach was to maintain the status quo and keep the non-elected personnel under the control of the local ethics laws. HB 108 passed the House of Delegates with two significant amendments: that the Sheriff and States' Attorneys' offices in each county were "executive units" as defined in the Public Ethics Law; and creating a broad and unprecedented financial disclosure filing exemption for employees of these offices for reasons that were not articulated. Commission staff testified in the Senate on HB 108 opposing the financial disclosure exemption and noted no specific opposition to the State Ethics Law coverage although preferring local jurisdiction for the Sheriff and State's Attorneys' offices. The Senate passed HB 108 as amended by the House of Delegates. On May 3, 2001, the Commission requested the Governor to veto HB 108 for policy, program credibility and constitutional issues related to the financial disclosure exemptions granted in the legislation. The Commission noted that State Law coverage under these circumstances would render employees subject to financial disclosure when justified under current law. On May 17, 2001, the Governor vetoed HB 108 citing as the reason the blanket financial disclosure exemptions and noting the State Ethics Commission accepted that the General Assembly had expressed a clear intent that the Sheriff and State's Attorneys' offices employees were covered by State Ethics Law.

On June 8, 2001, the Commission advised the Attorney General of its intention to issue an opinion finding for the purposes of the Ethics Law that the Offices of Sheriff and State's Attorney in each county were executive units and any of their employees who met the standards would be required to file financial

disclosure. On June 18, 2001, the Chief Counsel for Opinions and Advice of the Attorney General's Office advised the Commission that the Office of the Attorney General had no objection to the issuance of such an opinion. Thus, on October 29, 2001, the Commission issued its Opinion 04-01 stating that the offices of the State's Attorney and Sheriff in each city and county were subject to the Public Ethics Law and that each office would be notified of the opinion and the financial disclosure program in which § 15-103 provides the standards to determine which employee must file financial disclosure forms.

The Commission sent letters to each office and asked each to identify those persons who met the definition of "public official" for financial disclosure purposes. For the most part, the offices have not graciously accepted this action, and next year's report will more fully explore the level of their discontent.

## **LEGISLATIVE RECOMMENDATIONS**

- The Law should be formally amended to more specifically reflect advice by the Commission and the Attorney General regarding testimonial fund raising by employees and officials, which is fully covered by the Ethics and Elections Law.
- Raising the fees for lobbying registration from \$20.00 per registration to \$50.00 per registration to more adequately meet the cost of processing the reports, maintaining the lists, responding to inquiries from the lobbyists and the public, and providing training for lobbyists.
- The Election Law provisions dealing with contested elections do not clearly deal with these matters leaving potential questions about the solicitation, acceptance, and disclosure of these funds. Election Law should be amended to clearly establish limits and disclosure of this activity as part of the election function and not as gift activity regulated by the Ethics Law.
- There is a need to consider granting the Commission at least minimal civil penalty authority in conflict of interest matters in order to provide a formal alternative to expensive court proceedings.
- The Law should clarify issues related to gifts from foreign governments.
- The post-employment provisions of the Ethics Law should be reviewed and revised in order to avoid abuses that can occur under the technical language of the current law. This review should focus on higher level management positions.
- The Ethics Law prohibits certain types of representation before State agencies. However, except for special legislator disclosure, there is no specific required disclosure of representation before State agencies. We recommend that officials who appear before State agencies for compensation include on their annual disclosure form at a minimum the identity of any agencies involved in this compensated representation.
- The Commission has been presented with several situations in which high State officials have been invited to serve on the board of directors of private corporations having sensitive business or regulatory involvement with the State. The existing Ethics Law provisions are not well designed to effectively control all of the conflicts that can be caused by such affiliations. We recommend that membership by high officials on the boards of these types of corporations be addressed more specifically in the Ethics Law.
- Issues regarding the spouses of employees or officials have arisen in Maryland and on a national basis. The Maryland Public Ethics Law does not consistently and clearly address these issues or provide sufficient policy guidance in these matters. Spouse ethics issues have become more prevalent in part as a reflection of both spouses having careers and other economic relationships. For example, the Law does not always clearly deal with gift disclosure situations that may occur in these situations.
- The Commission receives many questions from agencies and others concerning issues involving State related foundations. Some of these questions relate clearly to the Ethics Law and can be resolved by the Commission. Many of these questions involve fiscal and general policy issues unrelated or only indirectly related to the Ethics Law. It is not possible for the Commission to determine appropriate policy in these areas. Any control mechanisms that need to be established to

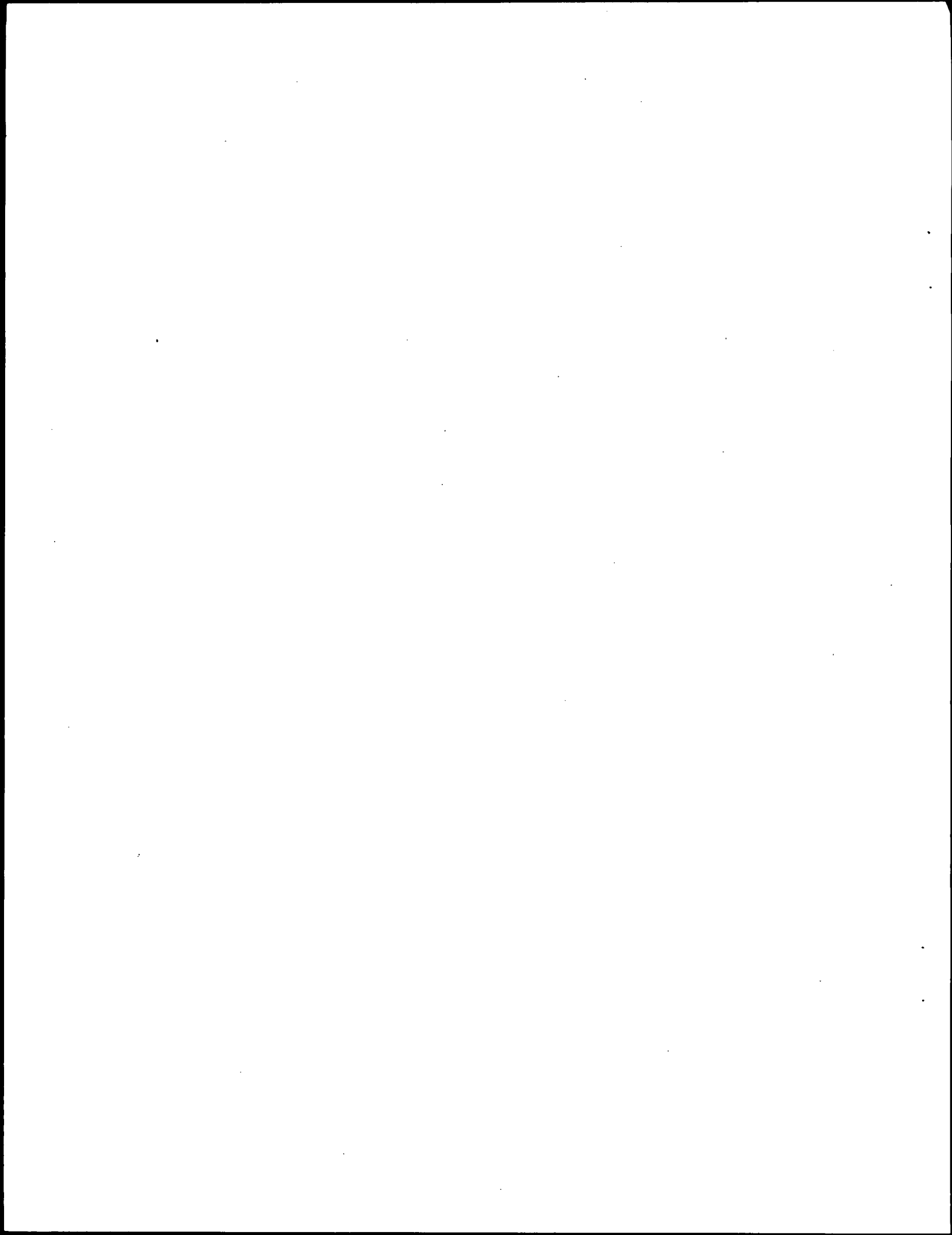


reach these other concerns should be established by the Executive and Legislative branches of government as part of ongoing policy development.

- Consideration should be given to having new officials file a financial disclosure statement covering their holdings as of the time when they come into their position rather than for the previous calendar year.
- In the 1999 Session of the General Assembly, the Harford County Liquor Board and its employees were placed under the authority of the State Ethics Commission. However, the employees of the Board, regardless of salary or duties, were excluded from financial disclosure requirements. This exclusion is unprecedented in any other agency or board and should be changed to make the disclosure requirements for these employees the same as other employees subject to the State Ethics Law.
- The need for disclosure of interests in mutual funds should be reviewed to determine if all of this information is fully necessary to accomplish the purposes of the Law.
- The definition of Interest (§ 15-102(t)(2)(iv)) should exclude State retirement plans in addition to §401 and § 501 qualified trusts.
- The provisions of §15-608 regarding attributable interests should be studied with the idea of reducing the burden caused by the disclosure requirements when a person has a small share in a large diverse testamentary trust.
- Judicial candidates should be required to file financial disclosure in each year of their candidacy in the same way as other candidates for State office.
- In election years improperly filed candidate's disclosure forms create unique enforcement problems. Before a violation can be found and made public a variety of confidential administrative and adjudicatory processes have to occur. In most cases this process would extend well beyond the primary election and probably beyond the general election. This means that serious completion problems or even false disclosure could exist unknown to the voting public. A very large percentage of non-incumbent candidates have substantial financial disclosure statement completion problems. A review should be made by the Executive and the General Assembly to determine whether confidentiality should be eliminated for candidate's financial disclosure enforcement cases at an earlier point in the enforcement process.
- Some consideration should be given to removing the current language dealing with Commission review of forms in §15-205(a)(5), and substituting a provision for review consistent with standards to be established by the Commission.
- In order to avoid uncertain and confusing application and administration of the Law, the special provisions of §15-807 making members of State boards funded in whole or in part by Baltimore County subject to the county disclosure law instead of the State Law should be considered for elimination, or at a minimum copies of these forms should be filed with the State Ethics Commission.
- The bi-county agency ethics regulations requirements as to employees of these agencies should be reviewed to make sure that sufficient penalty provisions are provided and that the current ethics regulations of the agencies meet the intent of the Law.
- The Commission has informally determined that the bi-county agencies are to be treated as State or local agencies for the purposes of exemptions under the State lobbying registration requirements. The Law should be amended to specifically clarify their status under these provisions.
- Consideration should be given to specifically prohibit the solicitation of loans or assistance in getting loans by employees and officials from lobbyists and certain regulatees.
- The statute of limitations in criminal violations of the State lobbying law is too short and should be extended.
- Consideration should be given to a one-legislative session, no lobbying cooling-off period for former legislative and other employees having significant duties relating to legislation.



- The lobbyist disclosure of gift process could be clarified and strengthened. The rules on immediate public availability of gift reports are inconsistent and the size of some designated regional delegations is too small to avoid reporting avoidance techniques by lobbyists.
- The law should provide that counties or cities may use lobbying registration and reporting with the State Ethics Commission as an alternative or substitute for local filing.
- The provisions for confidentiality in the Ethics Law should be reviewed to determine if they adequately protect privacy without denying needed information to operations agencies or the public.
- The provisions covering school board ethics regulations need to be strengthened to assure that there are adequate sanctions for violations by board members, candidates for board membership and lobbyists.
- The law prohibiting misuse of confidential information should be extended to cover former officials and employees as to confidential information acquired during their State service.



## **APPENDIX A**

### **EMPLOYER SPENDING \$25,000 OR MORE - ALL REGISTRANTS ALL TYPES OF EXPENSES**

*November 1, 2000 - October 31, 2001*

	<b><u>\$ AMOUNT</u></b>	<b><u>EMPLOYER</u></b>
1)	302,903.30	Maryland Jockey Club/Pimlico Race Track
2)	298,978.44	Cable Telecommunications of MD, DE, & DC
3)	266,190.24	A T & T
4)	262,384.09	Maryland Association of Realtors, Inc.
5)	239,977.07	Maryland Retail Merchants Association
6)	238,064.47	MEDCHI, The Maryland State Medical Society
7)	234,581.00	Maryland Chamber of Commerce
8)	224,697.26	Maryland State Teachers Association
9)	185,563.99	Maryland Bankers Association, Inc.
10)	184,569.00	Maryland Hospital Association
11)	175,350.44	CareFirst Blue Cross & Blue Shield of Maryland
12)	173,467.03	Verizon Maryland, Inc.
13)	172,503.28	Laurel Racing Association, Inc.
14)	149,994.00	Maryland State Bar Association
15)	147,086.85	MAMSI (Mid-Atlantic Medical Services, Inc.)
16)	143,954.00	Maryland Association of Health Plans
17)	141,792.22	Mirant Mid-Atlantic LLC
18)	140,000.00	League of Life and Health Insurers of Maryland
19)	135,860.99	Maryland Trial Lawyers Association
20)	128,226.33	Marylander's for Efficient and Safe Highways
21)	127,515.66	Adventist Health Care
22)	125,014.17	Alleghany Energy
23)	124,807.41	Suburban Hospital Healthcare System, Inc.
24)	117,282.23	Medstar Health
25)	114,048.00	ESP, Inc.
26)	108,759.48	Potomac Electric Power Company
27)	107,431.19	Greater Baltimore Medical Center(GBMC)Healthcare, Inc.
28)	104,977.17	Cingular Wireless
29)	103,690.54	Constellation Energy Group, Inc.
30)	102,486.93	Automated Wagering, Inc.
31)	101,189.03	Johns Hopkins Medicine
32)	100,152.59	Baltimore Jewish Council & Maryland Jewish Alliance
33)	99,716.29	Philip Morris , Inc.
34)	97,705.00	Johns Hopkins University
35)	96,590.67	Baltimore Building & Construction Trades Council/AFL-CIO
36)	91,722.98	Count Program, The
37)	91,510.22	Comcast Cablevision of Maryland, L.P.
38)	90,978.10	Association of Maryland Pilots

39)	90,898.39	WorldCom, Inc.
40)	90,000.00	Chemical Industry Council of Maryland
41)	89,625.35	Allegany Racing L.L.C.
42)	89,485.27	Schaller Anderson of Maryland, LLC
43)	87,893.63	Baltimore Ravens, Inc.
44)	87,602.94	Children's National Medical Center
45)	86,844.30	St. Joseph Medical Center
46)	86,173.86	American Heart Association
47)	85,060.00	Maryland Classified Employees Association
48)	83,321.58	Maryland Tort Reform Coalition
49)	81,610.53	Apartment & Office Bldg.Assn.of Metro Washington
50)	81,576.84	Greenbelt Metropark, L.L.C.
51)	81,082.10	Variable Annuity Life Insurance Co. (VALIC)
52)	79,735.12	Lifebridge Health
53)	79,669.00	Maryland Independent College and University Association
54)	76,486.00	Norfolk Southern Corporation
55)	75,500.00	Fibrowatt LLC
56)	75,437.91	Advocates for Children and Youth, Inc.
57)	75,200.46	Land Links, LLC
58)	75,138.06	Alcoa Eastalco Works
59)	75,000.00	Baltimore Teachers Union
60)	73,833.47	Rite Aid Corporation
61)	72,999.81	American Petroleum Institute
62)	72,880.07	General Motors Corporation
63)	69,716.29	Kraft Foods, Inc.
64)	69,216.14	Nextel Communications
65)	68,649.39	Perdue Farms, Inc.
66)	66,000.00	American Behavioral Care
67)	65,456.00	Maryland Credit Union League
68)	65,163.00	Maryland Optometric Association
69)	65,144.50	Maryland State & D.C. AFL-CIO
70)	65,000.00	Maryland State Builders Association
71)	64,418.97	Cloverleaf Enterprises
72)	62,389.99	Maryland New Car and Truck Dealers Assn.
73)	62,150.28	Home Builders Assn. Of Maryland
74)	61,966.71	State Farm Mutual Automobile Insurance Company
75)	61,723.00	Northrup Grumman Corporation
76)	61,346.67	Maryland Farm Bureau, Inc.
77)	61,000.00	Washington Metropolitan Transit Authority
78)	60,947.31	Microsoft Corporation
79)	60,499.80	Magellan Health Services
80)	60,430.00	Sverdrup
81)	60,129.05	SCI Mid-Atlantic Region
82)	60,045.11	University of Phoenix
83)	60,000.00	Maryland Association of Mutual Insurance Companies
84)	59,274.64	UST Public Affairs, Inc.
85)	58,688.32	Maryland Catholic Conference

86)	58,644.88	Pharmaceutical Research & Manufacturers of America
87)	58,344.44	Maryland State Dental Association
88)	57,920.33	American Insurance Association
89)	57,691.73	MAXIMUS
90)	56,828.24	Anne Arundel Health System
91)	56,775.00	Williams
92)	55,287.41	Maryland Atlantic Government Relations & Correctional Medical Services
93)	55,000.00	Maryland Association of Mortgage Brokers
94)	54,726.00	CONECTIV
95)	54,668.35	Genesis Health Ventures & Neighborcare Pharmacies
96)	53,950.00	Hart Intercivic, Inc.
97)	53,853.51	Accenture
98)	53,439.08	American Academy of Pediatrics, Maryland Chapter
99)	52,983.02	AFT Maryland
100)	52,761.65	Multi-State Associates on behalf of Community Financial Services Assn. Of America
101)	52,688.39	Mid-Atlantic Life Span
102)	52,230.96	Washington Area New Automobile Dealers Assn.(WANADA)
103)	52,158.00	Health Facilities Association of Maryland
104)	52,020.00	Dental Network, The
105)	51,109.00	Washington Gas, Maryland Division
106)	50,996.00	Maryland Association of Non-Profit Organizations
107)	50,831.66	Motorola, Inc.
108)	50,708.05	Enron Corporation
109)	50,695.69	Cross Road Trail, Inc.
110)	50,486.85	Prison Health Services, Inc.
111)	50,460.65	Maryland Insurance Council
112)	50,407.92	WAWA, Inc.
113)	50,351.00	Owens Illinois, Inc.
114)	50,242.64	America Online
115)	50,192.34	First Energy Services
116)	50,000.00	CIGNA Corporation
117)	49,728.06	Computer Sciences Corporation
118)	49,147.84	AT & T Wireless Services, Inc.
119)	48,550.00	Maryland Association of Chain Drug Stores
120)	48,146.84	Milestone Communications
121)	48,040.00	Solipsys Corporation
122)	47,875.00	Restaurant Association of Maryland, Inc.
123)	47,750.00	American Share Insurance Corporation
124)	47,579.38	Professional Insurance Agents Association of PA, MD & DE
125)	47,284.00	Mothers Against Drunk Driving
126)	47,256.51	GlobeGround North America
127)	46,653.78	EPIC Pharmacies - Maryland Professional Pharmacies, Inc.
128)	46,297.36	Maryland Highway Contractors Association
129)	45,835.16	Common Cause/Maryland

130)	45,789.55	National Association of Independent Insurers
131)	45,737.00	M.A.D.E. in Maryland
132)	45,500.00	R.J. Reynolds Tobacco Company
133)	45,266.62	Cloverleaf Standardbred Owners Assn.
134)	45,194.78	Household Financial Group, Ltd.
135)	45,186.78	U. S. Filter Operating Services
136)	45,148.46	WMDA Service Station & Automotive Repair Assn.
137)	45,000.00	Buck Distributing Company
138)	45,000.00	GE Capital Corporation
139)	45,000.00	Maryland Disability Law Center
140)	44,924.33	National Rifle Association Institute for Legislative Action
141)	44,442.66	Bethlehem Steel Corporation
142)	44,360.65	Anheuser-Busch Companies
143)	44,319.50	Evangelical Lutheran Church in America/DEL-MD Synod
144)	44,020.00	Maryland Burgler & Fire Alarm Association
145)	44,000.00	KOBA Institute
146)	43,506.00	Recording for the Blind & Dyslexic
147)	43,264.65	Maryland State Association of Life Underwriters
148)	43,114.43	Chimes, The
149)	43,056.89	Maryland Industrial Group
150)	42,813.98	Dimensions Healthcare System
151)	42,565.26	Waste Management, Inc.
152)	42,414.00	Eli Lilly & Company
153)	42,000.00	Fraternal Order of Police, Maryland State Lodge
154)	42,000.00	United Healthcare of the Mid-Atlantic
155)	41,774.64	Dupont, Inc.
156)	41,740.00	AFSCME Council 92
157)	41,633.78	Johnson Controls, Inc.
158)	41,500.00	Elevator Industry Work Preservation Fund
159)	41,455.15	People Soft USA, Inc.
160)	41,044.73	Medical Mutual Liability Insurance Company
161)	41,000.00	Merrill Lynch, Pierce, Fenner & Smith, Inc.
162)	40,987.82	Mental Health Association of Maryland
163)	40,816.11	State Farm Insurance Companies (IL)
164)	40,454.36	Jack Neil & Associates
165)	40,439.25	Association of Maryland Docking Pilots
166)	40,020.00	Southern Maryland Hospital
167)	40,000.00	Single Factor Coalition & Maryland Manufacturers' Council
168)	39,981.00	Sunoco. Inc.
169)	39,950.34	Maryland Rental Car Coalition
170)	39,600.00	DGS, Inc.
171)	39,600.00	DuPont Pharmaceuticals
172)	39,386.37	Maryland State Licensed Beverage Assn.
173)	38,997.66	Maryland Society American Institute of Architects, Inc.

174)	38,974.53	Nationwide Insurance Enterprises
175)	38,500.00	Edison Parking Corporation
176)	38,400.00	Advance PCS
177)	38,213.00	Center for Poverty Solutions
178)	37,807.74	Atlantic Richfield Company (ARCO)
179)	37,500.00	American Cancer Society, MD Division
180)	37,482.21	Motion Picture Association of America
181)	37,399.67	Foster America, Inc.
182)	37,279.78	Maryland Chiropractic Association
183)	37,140.75	Associated Builders and Contractors/Metro Washington Chapter
184)	37,013.00	Brown & Williamson Tobacco Corporation
185)	37,013.00	Lorillard Tobacco Company
186)	37,000.00	Starpower Communications
187)	36,749.81	American Civil Liberties Union of Maryland
188)	36,100.00	AVAYA, Inc.
189)	36,000.00	Cigar Association of America, Inc.
190)	36,000.00	Quest Diagnostics
191)	35,750.00	Credit Union Insurance Corporation
192)	35,375.00	USAA
193)	35,250.30	Maryland Works, Inc.
194)	35,200.00	St. Agnes Healthcare
195)	35,052.42	Columbia Gas of Maryland, Inc.
196)	35,040.00	Mid-Atlantic Financial Services Association
197)	35,036.59	Maryland Taxicab, Sedan & Paratransit
198)	35,000.00	CTB Government Relations, LLC
199)	35,000.00	Information Builders, Inc.
200)	35,000.00	Westvaco Corporation
201)	34,755.73	Aetna US Healthcare, Inc.
202)	34,750.87	Insurance Auto Auctions Corporation
203)	34,565.81	Kaiser Foundation Health Plan of Mid-Atlantic States
204)	34,479.78	Merck & Company
205)	34,368.72	Maryland Motor Truck Association
206)	34,252.86	Jacoby Development, Inc.
207)	34,009.00	Maryland Association of Tobacco & Candy
208)	33,843.61	Almost Family - Caretenders
209)	33,750.00	Pepsi Bottling Group
210)	33,735.00	EIA/NSWMA
211)	33,710.00	Feld Entertainment, Inc.
212)	33,107.03	Teachers Insurance & Annuity Association
213)	33,000.00	Marsh USA, Inc.
214)	32,803.54	National Federation of Independent Businesses
215)	32,620.25	Kawaski Rail Car, Inc.
216)	32,500.00	Amerigroup Corporation
217)	32,449.66	Maryland Motor Coach Association, Inc.
218)	32,417.00	Nature Conservancy, The MD/DC Chapter
219)	32,179.03	Planned Parenthood of Metropolitan Washington
220)	32,099.06	Maryland Association of Community Colleges

221)	32,022.50	Progressive Insurance Company
222)	31,860.17	Greater Baltimore Committee
223)	31,810.00	Alliance of American Insurers
224)	31,660.51	Culver Amherst, LLC
225)	31,614.69	Legg Mason & Subsidiaries
226)	31,600.84	MD/DC/DE Soft Drink Association
227)	31,510.22	Comcast Cablevision of Harford County
228)	31,490.22	General Television of Maryland, Inc.
229)	31,490.22	Howard County Cable Television Association
230)	31,012.25	Community Education Partners
231)	30,967.90	Marylanders Against Handgun Abuse, Inc.
232)	30,958.20	HCR Manor Care
233)	30,919.81	Best Buddies International, Inc.
234)	30,914.99	Frederick R. Harris, Inc.
235)	30,855.75	Kennedy Kreiger Institute
236)	30,676.38	American Physical Therapy Association of Maryland
237)	30,543.96	MD/DC/DE Press Association
238)	30,500.00	Maryland Multi-Family Housing Association
239)	30,500.00	Maryland Professional Driver Education Association
240)	30,460.03	Maryland Securities Industries
241)	30,340.00	Information Systems & Network Corporation
242)	30,230.34	American Capital Access Service Corporation
243)	30,217.77	Prince George's County Association of Realtors
244)	30,143.00	Service Employees International Union
245)	30,045.04	AAI Corporation
246)	30,024.64	Committee to Save the Trail (COST)
247)	30,018.05	Jerome J. Parks
248)	30,000.00	Golden Rule Insurance Company
249)	30,000.00	Licensed Beverage Distributors of Maryland, Inc.
250)	30,000.00	Maryland Community Health System LLP
251)	29,954.87	Marine Trades Association of Maryland
252)	29,752.88	Maryland Chapter American College of Emergency Physicians
253)	29,666.04	Sherwin-Williams Co. Inc.
254)	29,531.44	American Council of Life Insurance
255)	29,416.00	Schering-Plough External Affairs, Inc.
256)	29,299.67	Alliance of Automobile Manufacturers
257)	29,175.77	Trigen-Baltimore Energy Corporation
258)	29,133.78	Maryland Alliance for Fair Competition
259)	29,107.36	Association of Forest Industries
260)	28,764.15	Miller Brewing Company
261)	28,333.00	Prince George's County Planning Board
262)	28,124.00	Melwood Horticultural Training Center, Inc.
263)	28,117.42	Prince George's Metro Center, Inc.
264)	28,008.80	Maryland Psychological Association
265)	27,974.55	Second Genesis Foundation, Inc.
266)	27,955.37	Alzheimer's Disease & Related Disorders Assn. Inc.
267)	27,852.65	Southern Maryland Electric Cooperative, Inc.



268)	27,750.00	Boys & Girls Club of America
269)	27,605.26	Public School Superintendents' Association of Maryland
270)	27,540.00	Maryland State Funeral Directors Association
271)	27,500.00	Advance America
272)	27,500.00	Beneficial Assurance Ltd.
273)	27,500.00	Maryland Bail Bond Association
274)	27,500.00	State Employees Credit Union of Maryland, Inc.
275)	27,238.15	National Association of Social Workers, MD Chapter
276)	27,024.00	Maryland Association of Certified Public Accountants
277)	27,000.00	Channel One Network
278)	26,819.00	University of Maryland Medical System
279)	26,788.99	Consulting Engineers Council of Maryland
280)	26,706.08	Maryland Horse Breeders Association
281)	26,665.00	Maryland Orthopaedic Association
282)	26,288.00	Election Systems & Software
283)	26,134.40	Delmarva Poultry Industry
284)	26,040.00	Maryland Asphalt Association
285)	25,897.50	American Lung Association
286)	25,889.55	Maryland Association of Green Industries
287)	25,734.72	Duron Paints & Wallcoverings
288)	25,545.35	Ace Guaranty RE, Inc.
289)	25,532.79	GEICO
290)	25,342.00	Greater Washington Board of Trade
291)	25,314.00	Maryland Association of Boards of Education
292)	25,246.65	Maryland Radiological Society
293)	25,020.00	MultiState Associates/behalf of U.S.Fireworks Safety Commission
294)	25,000.00	Alliance of Maryland Dental Plans
295)	25,000.00	Global Crossing North America, Inc.
296)	25,000.00	Maryland Excess & Specialty Lines Brokers Association
297)	25,000.00	Maryland Land Title Association



## **APPENDIX B**

### **LOBBYISTS RECEIVING \$50,000 OR MORE IN COMPENSATION ONE OR MORE EMPLOYERS**

*November 1, 2000 - October 31, 2001*

	<u>\$ Amount</u>	
1)	830,728.98	Alexander, Gary R.
2)	715,324.75	Rifkin, Alan M.
3)	692,638.84	Rasmussen, Dennis
4)	679,295.82	Rozner, Joel D.
5)	616,789.25	Bereano, Bruce C.
6)	607,878.78	Schwartz, Joseph A., III
7)	549,372.06	Stierhoff, John R.
8)	507,649.50	Johansen, Michael V.
9)	454,442.00	Enten, D. Robert
10)	387,999.96	Shaivitz, Robin F.
11)	377,673.00	Pitcher, J. William
12)	375,355.00	McCoy, Dennis C.
13)	367,839.68	Popham, Bryson
14)	338,118.88	Tiburzi, Paul A.
15)	301,144.35	Miedusiewski, American Joe
16)	277,071.47	Cooke, Ira C.
17)	244,766.65	Lanier, Ivan
18)	232,111.74	Doherty, Daniel T. Jr.
19)	228,342.75	Doyle, James J., Jr.
20)	205,876.00	Neil, John B.
21)	192,062.14	Collins, Carville B.
22)	183,297.50	Burridge, Carolyn T.
23)	171,481.24	Manis, Nicholas G.
24)	168,933.12	Rivkin, Deborah R.
25)	160,191.72	Goldstein, Franklin
26)	158,983.34	Levitan, Laurence
27)	153,541.66	O'Dell, Wayne
28)	153,500.00	Carter, W. Minor
29)	150,350.00	Arrington, Michael
30)	145,124.03	Brocato, Barbara Marx
31)	142,500.00	Gally, Eric
32)	125,792.00	Powell, Michael C.
33)	124,500.00	Boston, Frank
34)	124,491.57	Doolan, Devin John
35)	119,333.00	Canning, Michael F.

36)	116,811.42	McDonough, John P.
37)	111,316.00	Winchester, Albert III
38)	104,925.00	Genn, Gilbert
39)	104,500.00	Gisriel, Michael U.
40)	97,800.40	Kress, William A.
41)	94,200.00	Kasemeyer Pamela Metz
42)	93,431.25	Valentino-Benitez, Ellen
43)	90,290.00	Wyatt, Joseph Richard
44)	90,000.00	Baker, Ross L.
45)	89,734.00	Buckingham, Stephen C.
46)	87,802.56	Wayson, Edward O. Jr.
47)	85,000.00	DiPietro, Robert J.
48)	83,250.00	Neily, Alice J.
49)	78,840.00	Winstead, David
50)	78,750.00	Janey, Neal M.
51)	78,002.80	Sheehan, Lorraine M.
52)	77,000.00	Proctor, Gregory
53)	75,000.00	Hill, Denise
54)	75,000.00	Robbins, Earl H. Jr.
55)	73,992.00	Johnson, Deron A.
56)	70,000.00	Carpenter, Jonathan
57)	68,766.52	Antoun, Mary
58)	68,261.98	Saquella, Thomas S.
59)	67,510.00	Shaw, Carolyn R.
60)	66,767.05	Costello, Christopher B.
61)	66,542.50	Valentino-Smith, Geraldine
62)	65,750.00	Manis, George N.
63)	65,662.20	DiPietro, Christopher V.
64)	62,196.13	Gunther, Robert
65)	61,750.00	Ornstein, Chantel
66)	61,500.00	Burner, Gene L.
67)	60,000.00	Hawk, Wynnee Elizabeth
68)	60,000.00	McHugh, Kathleen
69)	59,914.30	Hoover, Lesa N.
70)	58,363.75	Harting, Marta D.
71)	58,049.50	Waites, Gerard M.
72)	58,005.14	Richardson, Lawrence A. Jr.
73)	56,682.09	Kimmel, Thomas Charles
74)	54,500.65	Binderman, Mindy Koplan
75)	54,480.03	Conn, David
76)	52,593.00	Kronk, Annie K.
77)	51,600.00	Sammis, Elizabeth
78)	51,000.00	Townsend, Pegeen
79)	50,380.49	Cobbs, Drew P.
80)	50,000.00	Counihan, Gene W.
81)	50,000.00	Jepson, Robert

## APPENDIX C

### EXPENDITURES ON SPECIAL EVENTS November 1, 2000 - October 31, 2001

<u>Group Invited</u>	<u>Number of Times Invited</u>	<u>Total</u>
All General Assembly	101	\$622,365.30
House Only	1	730.93
Anne Arundel County Delegation	3	1,789.25
Baltimore City Delegation	9	10,730.43
Baltimore County Delegation	8	29,745.10
Carroll County Delegation	3	435.85
Harford County Delegation	2	1,677.05
Howard County Delegation	1	93.75
Lower Eastern Shore Delegation	8	1,564.43
Montgomery County Delegation	10	18,422.09
Prince George's County Delegation	11	13,489.05
Upper Eastern Shore Delegation	6	1,224.85
Western Maryland Delegation	4	1,546.56
<u>HOUSE</u>		
Appropriations	6	3,283.10
Commerce & Governmental Matters	7	13,932.49
Economic Matters	12	17,491.55
Environmental Matters	14	20,996.99
Judiciary	7	5,619.28
Ways and Means	7	10,557.24
<u>SENATE</u>		
Budget and Taxation	8	5,705.43
Economic & Environmental Affairs	6	4,135.55
Finance	20	19,775.21
Judicial Proceedings	12	8,849.47

TOTAL: \$814,160.95

(NOTE: Where more than one committee was invited to the same event for the purposes of this report, there may be a proportionate allocation.)

## APPENDIX D

### LOBBYING FIRMS EARNING \$1,000,000 OR MORE

November 1, 2000 - October 31, 2001

<u>Name of Firm</u>	<u>Amount of Compensation Reported</u>
Rifkin, Livingston, Levitan & Silver LLC	\$ 2,172,255.91
Alexander & Cleaver, P.A.	1,581,245.59
Funk & Bolton , P.A.	1,147,594.86



